

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 COME-00 STR-08 OMB-01 CIEP-03 GSA-02

INT-08 CEA-02 OPIC-12 DRC-01 /140 W

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R 282120Z AUG 74

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 8474

INFO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY SANTO DOMINGO

LIMITED OFFICIAL USE PORT AU PRINCE 1678

E.O. 11652: N/A

TAGS: EMIN, EFIN, EIND, HA

SUBJECT: RENEGOTIATION OF GOH-REYNOLDS CONTRACT ON BAUXITE

REFS: (A) PAUP 1625; (B) PAUP 1317; (C) STATE 145450

1. SECRETARY OF COMMERCE AND INDUSTRY SERGE FOURCAND INFORMED EMBOFF TODAY THAT HAITI HAS APPLIED FOR MEMBERSHIP IN THE INTERNATIONAL BAUXITE ASSOCIATION. HE ALSO STATED THAT HE HAD DISCUSSED BAUXITE WITH OFFICIALS OF BRITISH GUAANA AND JAMAICA DURING HIS RECENT VISIT.

2. WITH RESPECT TO HAITIAN ATTITUDE TOWARD NEGOTIATIONS WITH REYNOLDS (SOLE PRODUCER IN HAITI) FOURCAND VOLUNTEERED THAT HE SAW FOUR POSSIBILITIES:

(A) NEGOTIATE A MEDIUM OR LONG-TERM CONTRACT WHICH WOULD PROVIDE GOH WITH INCREASED REVENUES FROM BAUXITE EXPORTS;

(B) DEMAND THAT REYNOLDS ESTABLISH AN ALUMINA PLANT IN
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HAITI;

(C) ACCEPT DOMINICAN PROPOSAL THAT TWO COUNTRIES REQUEST REYNOLDS TO ESTABLISH AN ALUMINA PLANT, PERHAPS IN BORDER AREA, WHICH WOULD PROCESS BAUXITE FOR BOTH COUNTRIES;

(D) NEGOTIATE A SHORT-TERM CONTRACT WITH REYNOLDS, WITH THE IDEA THAT HAITI WOULD ESTABLISH A SYSTEM COMPATIBLE WITH CARICOM COUNTRIES AFTER ACCEPTANCE AS AN ASSOCIATE MEMBER. HE NOTED THAT HE THOUGHT ALTERNATIVE (C) ABOVE WOULD BE THE BEST ROUTE FOR HAITI.

3. FOURCAND SAID THAT HE HAD BEEN URGING RENEGOTIATION OF THE REYNOLDS CONTRACT SINCE FEBRUARY, WHEN CERTAIN TAXATION AND FINANCIAL CLAUSES EXPIRED, BUT THAT HE HAD NOT BEEN ABLE TO PERSUADE HAITIAN GOVERNMENT TO TAKE ACTION. FOURCAND ADDED THAT, ALTHOUGH MINERALS BASICALLY ARE THE RESPONSIBILITY OF THE DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES, RENEGOTIATION OF THE TAX AND FINANCIAL CLAUSES WOULD BE THE RESPONSIBILITY OF THE SECRETARY OF FINANCE. FOURCAND ALSO GAVE THE IMPRESSION THAT HE MIGHT BE INVOLVED IN THE NEGOTIATIONS.

DECLASS 12-31-76 OR UPON RENEGOTIATION OF GOH-REYNOLDS CONTRACT.
ISHAM

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Message Attributes

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